



**Date:** February 22, 2011

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Deputy City Manager  
**From:** Edward R. Venable, Manager of Engineering and Stormwater  
**Subject:** Rescinding the Ordering of Making a Certain Improvement – Umstead Road

### **Executive Summary**

On December 3, 2007, City Council ordered a sewer main and sewer outfall improvement for a portion of Umstead Road from the west property line of PIN 0804-02-96-1256 to the east property line of PIN 0814-01-06-4576. This improvement is outside the City Limits and was ordered as a result of a valid petition from the abutting property owners. However, since the time of the original order several property owners within the project limits have inquired about having the improvement rescinded as a result of the potentially high assessment rate involved. Of the fifteen (15) property owners affected by this project, eleven (11) have indicated they do not wish the project to go forward.

### **Recommendation**

As a result of the majority of the property owners being against this project moving forward, the Public Works Department recommends that the City Council rescind the resolution ordering the sewer main and sewer outfall on this portion of Umstead Road.

### **Background**

A sewer outfall is required to serve the affected property on Umstead Road with City sewer. Since this property is located outside the City, property would be assessed at actual cost for the outfall. The outfall assessment rate is estimated to be about \$80.00 per front foot, in addition to \$57.00 per front foot for the sewer main. Based on the average frontage of all properties within the limits, this would result in an estimated average assessment of \$26,000.00 per property. Staff received several calls from property owners expressing concern over the potential cost. Because of this interest, letters were mailed to all fifteen (15) property owners advising them of the approximate cost of their potential assessment, along with a form asking them to indicate whether they were in favor of this improvement moving forward or not. Of the twelve responses received, eleven indicated they did not want the project to move forward. This project has been placed "on hold" from right-of-way acquisition and construction, pending City Council action.

### **Issues/Analysis**

The petition for this sewer was requested and circulated on behalf of the owner of a vacant property that will not perk and therefore will require the extension of City sewer in order to be developed. Rescission of the sewer improvement will result in that property remaining

unbuildable. (This is the one owner who indicated he is in favor of the project moving forward.)

Several owners have indicated that their financial situations have changed significantly due to the current economy and that they simply cannot afford the assessment. They have also stated that they are not having any issues with their current septic systems, nor are they aware of any septic problems within the project limits.

At least three properties have been sold since the improvement was ordered in 2007. There is a possibility that money was escrowed at closing for the pending assessments. Should this improvement be rescinded by City Council, staff will notify the closing attorneys so that they may take appropriate action to disburse any monies collected.

### **Alternatives**

City Council could choose not to rescind its previous action ordering this improvement. This would result in the project moving forward and property owners being assessed upon completion of the sewer main and outfall.

The other option is for City Council to rescind the ordering of this improvement.

### **Financial Impact**

The estimated cost of this project is \$355,500.00 (not including necessary easement acquisition). The rescission of this improvement would result in that money being available to construct other water and sewer improvements currently on the waiting list.

### **SDBE Summary**

n/a

ERV/mln